Public Works (1904) Department.

Confidential

G.O., Nos 774A & 775B

Confidential

DATED 15 July 1904.

SERIAL No. 34

[Despatch Abstract.]

Periyar Power Scheme. Ordered that further Corres relating to the — from Major A. J. DeLotbiniere R.E. be forwarded.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

7740-7775B

PUBLIC WORKS DEPARTMENT,

IRRIGATION BRANCH.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

READ the following

Order. No. 774 I / A d/15-7-04

Ordered that the following letter be sent:-

To

The Secretary to the Govt. of India, P.W.D., Irrign. Rds., & Bds.

To

The Chief Engineer for Irrign. with copy of letter to India.

15/7/04

Issue 16-7-04

Despd 16.7.04

No 1—500—7-4-04.

No. 1 B
Government of Madras
PUBLIC WORKS DEPARTMENT,
IRRIGATION BRANCH.

From A. H. Garrett Esq,
Joint Secy to Govt.

C. No.

~~From~~ ~~No.~~ , ~~dated~~

To the Secy to Govt of India
P.W.D. Irrigation Roads & Buildings
Ootacamund

Enclosures 2.

Sir,

In continuation of my letter No 774 I/A d 14/7/04 I am directed to forward for the information of His Excellency the Viceroy in Council copies of a demi-official letter received from Major Sabbineau [?] & my note thereon.

I have etc.

M.R.K.
15/7/04

Issue
C.J. 15.7.

Type
KSR
15/7/04

Public Works Department,

Irrigation Branch.

Note for His Excellency.

The accompanying letter from Major de -- Lotbiniere is submitted for His Excellency's information.

It is a reply to a D.O. I wrote saying -- Government had decided to send his report to India but that I was unable to understand why he proposed, charging so little for our power, seeing what the Mysore Government charged the gold mines.

I never supposed that we could get the same rate as that paid by the gold mines, but looking to the fact that the Mysore Government paid off their capital outlay in 10 years besides getting 6 % for their money it was only reasonable to expect that th Periyar installation, which is 2½ times as large as the Cauvery one, would at least fulfil the condition of a productive work, which it certainly will not do if Major de Lotbiniere's rates are accepted.

His rates on his own showing seem --- unnecessarily low. On page 14 of his report he says that the rate at which he offered power viz £ 6 per annum per H.P. would show a gain to the Madura Municipality of from 50 to 65 per cent. Why should not Government share in this profit?

In a paper in the Proceedings of the --- Institute of Civil Engineers on the Cauvery -- installation the opinion is expressed that the rate charged for power were very much in favour of the Company, who will be far greater gainers than the Government although the latter got a handsome retu

It would seem advisable to send as enclosures to the letter to India copies of these D.O. communications — in order that India may have as full information as we have.

[initials]
15-7-04

D.O.
Please send at once copies of Major de L's letter & my note for H.E.

[initials]
15.7.04

for their money. It seems therefore that even in the Cauvery Power Scheme the rates charged were too low.

If Major de Lotbiniere is right in saying that his prices for Periyar power cannot be raised to any appreciable extent, it would pay Government far -- better to use for irrigation the 2,360 million cubic feet of water obtained by increasing the capacity of the lake.

I was not aware that cotton mills only worked for 10 hours a day and for about 290 days in the year and further enquiries will be made.

It is certainly strange that gold mines which require power night and day should adopt an inferior type of engine to that used in cotton mills where power is only wanted for 10 hours in the day.

LRK 14/7/14

14.7.14

Bangalore, I2-7-04.

Dear Mr Garrett;-

Your letter of IOth July, re rate which I proposecharging for Periyar power.

I must say it is a cause of great surprise to me to see from your letter that you do not realize the difference ~~between~~ in markets for power, as you compare the ordinary Madras market with the Gold Fields.

Let me explain.

On the Gold Fields power is used for 24 hours per day for 365 days in the year, or out of a possible 8760 hours in the year the Fields work for the maximum - i.e. 8760 hours.

Now compare the time worked by a cotton mill;- this works for IO hours a day for about 290 days in the year or 290xIO= 2900 hours out of 8760 or 33% of the total.

Again a cotton mill invariably has the best engines procurable and is usually well situated for coal supply, which means low cost for power. A mine field as a rule contains simple engines, which means high cost of power, also the mine is situated regardless of coal supply considerations.

How then can you compare the price the mines are willing to pay for power for 8760 hours per year, against the price a mill owner will pay for power, for 2900 hours a year.

I have not forgotten the question of the sale of power at night for lighting. Please believe me that I have studied the market question, which is the most important one in a scheme of this sort, and that t the prices I have stated in my report cannot be raised to any appreciable extent, until the market has undergone a marked change through the introduction of new industries which will demand ~~a full~~ power for the full day of 24 hours.

In Bangalore I am entering into contracts to supply mills for £6.- per H.P. per annum and am glad to get that, although I sell to the Gold Fields for £I8.- per H.P. per annum. The whole financial success of the Cauvery Power Scheme hinged on the market for power & you may be certain I fully realized this when proposing the undertaking.

I trust

Bangalore, 12-7-04.

[Dea]r Mr Garrett;-

Your letter of 10th July, re rate which I proposecharging for [th]e river power.

I must say it is a cause of great surprise to me to see from your [l]etter that you do not realize the difference ~~xxxxxx~~ in markets for [p]ower, as you compare the ordinary Madras market with the Gold Fields.

Let me explain.

[I]n the Gold Fields power is used for 24 hours per day for 365 days in [t]he year, or out of a possible 8760 hours in the year the Fields [w]ork for the maximum - i.e. 8760 hours.

Now compare the time worked by a cotton mill;- this works for 10 [h]ours a day for about 290 days in the year or 290x10= 2900 hours out [o]f 8760 or 33% of the total.

Again a cotton mill invariably has the best engines procurable and is usually well situated for coal supply, which means low cost for power. A mine field as a rule contains simple engines, which means high cost of power, also the mine is situated regardless of coal supply considerations.

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In Bangalore I am entering into contracts to supply mills for £6.- per H.P. per annum and am glad to get that, although I sell to the Gold Fields for £18.- per H.P. per annum. The whole financial success of the Cauvery Power Scheme hinged on the market for power & you may be certain I fully realised this when proposing the undertaking.

I trust

I trust you will kindly send a copy of this letter to all those officials now interested in the project, who if they view the subject in the same light as you do , will naturally conclude that I have not carefully considered the figures given in my report.

Yours very sincerely,

A G de Lotbinière
May 18

I trust you will kindly send a copy of this letter to all those officials now interested in the project, who if they view the subject in the same light as you do , will naturally conclude that I have not carefully considered the figures given in my report.

Yours very sincerely,

12 6/98 | R1 | OBR
25|11|99 | R1